

## Effect of Board of Commissioners Size, Company Size, Growth Opportunity, and Profitability Against Prudence Accounting

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### Abstract

*Prudence accounting is the principle of prudence in financial reporting. The number of cases of misappropriation of financial statements by manipulating financial statements is due to the lack of application of the principle of prudence accounting. This study aims to examines the effect of board size, company size, growth opportunity, and profitability on prudence accounting. The population of this study consisted of 21 pharmaceutical companies listed on the Indonesia Stock Exchange. Determination of the sample using non-probability sampling with purposive sampling technique, thus obtaining a research sample of 13 companies with a research period of 4 years (2019-2022), so that the total number of samples used was 52. The data analysis methods used are panel data regression analysis, determination coefficient test, f statistical test, and t statistical test using evIEWS 12 software. The results of this study indicate that the size of the board of commissioners has no effect on prudence accounting. While the variables of company size, growth opportunity and profitability have a significant effect on prudence accounting. The results of the f test show that the size of the board of commissioners, company size, growth opportunity and profitability simultaneously affect prudence accounting.*

**Keywords:** Board Size, Company Size, Growth Opportunity, Profitability, Prudence Accounting

### A. Introduction

Technological advances and rapid business development have triggered competition in the business world. Measurement of management performance and financial information contained in a company's financial reports is important for internal and external parties (J. M., Warren, C. S., & Duchac, J. E., 2011). Financial reports, or financial reports, according to Hery (2016), are a tool used to explain financial data and company activities, which are the final part of the accounting process. According to (Hery, 2015), the purpose of financial reports is to present information to interested parties in order for them to make decisions. Kariyoto (2017) suggests parties who have an interest in the use of financial reports include directors, creditors, investors, stock analysts, suppliers, and also the general public.

One of the principles that become accounting principles is prudence, also known by the term "prudence." Prudence is a change from the term conservatism after the convergence of IFRS. There is a change in the reference to the accounting application guidelines with the aim that the financial reporting of companies around the world is guided by the same guidelines in financial reporting, which will later be accepted in other countries (Sinta P., 2016). In principle prudence in IFRS, income that is still in the form of potential may be recognized with the fulfillment of the provisions for recognition of income but still using the principle prudence in his confession. Financial Accounting Standards (SAK) in Indonesia (I. A. Indonesia, 2023) state that PSAK uses principles of prudence, namely PSAK No. 14 concerning Supplies and PSAK No. 48 concerning Impairment of Asset Value. In I. A. Indonesia, n.d., PSAK No. 14 describes inventories on the balance sheet presented at the lowest value between acquisition cost and net realizable value. PSAK No. 48 describes the impairment of assets, including losses that require immediate recognition in the loss statement.

There are many cases of misappropriation of financial statements by manipulating them. (CNBC Indonesia, 2019) PT Hanson Internasional Tbk in 2016 was hit by a case overstatement with a value of IDR 613 billion. The company's revenue recognition used the accrual method for IDR 732 billion in sales of ready-to-build plots, and there was no presentation of initial opinions or sale-purchase agreements in the 2016 financial statements. (E. & Y. Indonesia, 2019) PT Tiga Pilar Sejahtera was also involved in a case overstatement in 2017. Alleged overstatement of IDR 4 trillion in inventories, trade receivables, and fixed assets of the TSPF of IDR 662 billion in sales and IDR 329 billion in Food Entity EBITDA. There is an alleged cash flow of IDR 1.78 trillion with various strategies from TSPF to parties affiliated with profit management. This shows that the company has high optimism in recognizing profits, so it is necessary to apply the principle of prudence. It is very important that management does not display optimism in financial reporting (Noviantari & Ratnadi, N., 2015).

According to (Savitri, 2016), the size of the board of commissioners is the total number of members of the board of commissioners who carry out company duties; large companies typically have a large number of commissioners, and vice versa. The high size

of the board of commissioners causes high demands for information transparency (Fitriyani, 2016). The results of the study (Saragih & Rohman, 2019) state that the size of the board of commissioners has a negative effect on prudence. Likewise, according to Yustina (2016), the size of the board of commissioners has a positive effect on prudence. Similar research by Meisy and Mayangsari (2022a) shows that state jurisprudence is not affected by the size of the board of commissioners.

Company size is a measure of the size of the company (Tamara Oca, 2013). The results of the study (Abbas & Hidayat, 2022) state that company size has an effect on prudence. (B, N, & Sulistiyowati, M, 2019) state that company size has no effect on prudence. Meanwhile, according to Rahardja and Vinola Herawaty (2019), company size has a significant negative effect on *prudence*.

*Growth opportunity*, according to A. A. Sabeni (2013) is the opportunity for the growth and development of a company. Research results (Ali et al., 2023) state that *growth opportunities have an effect on prudence*. (Usbah & Primasari, 2020) state that *growth opportunity* has a significant positive effect on prudence. Similar research by Idrus et al. (2022) states that growth opportunity has a negative and significant effect on prudence.

Profitability (Savitri, 2016) is the company's ability to earn profits. High profitability causes the company's competitiveness to increase. If the company's profit is high, the compensation given to shareholders is also high, and the tax costs incurred will also be high (Khaira & Africano, 2014). The results of the study (Khaira & Africano, 2014) state that profitability has a positive effect on prudence. Likewise, according to Abbas & Hidayat (2022), profitability has no effect on prudence. Similar research by Rahardja and Vinola Herawaty (2019) states that profitability has a significant negative effect on prudence.

This research study is important because of the low application of principled prudence in the preparation of financial reports and the many cases of misappropriation of financial statements. According to the number of cases of misappropriation of financial statements that have occurred as mentioned above and also in (CNBC Indonesia, 2021), several companies in the pharmaceutical sector have stumbled on cases of overstating financial statements. In addition to the statement by Pratidina (2022), it was stated that as many as 18 out of 23 pharmaceutical companies listed on the Indonesia Stock Exchange

(IDX) in 2016–2019 were declared not to apply principleprudence, which can indicate the company is manipulating financial statements. This is what attracts researchers to examine related research-prudence accounting in pharmaceutical sub-sector manufacturing companies listed on the Indonesia Stock Exchange (IDX). So the title of this research is the **"Effect of Board of Commissioners Size, Company Size, Growth Opportunity, and Profitability Against Prudence Accounting (A Case Study of Pharmaceutical Companies Listed on the Indonesian Stock Exchange)"**.

## B. Literature Review

### Positive Accounting Theory

Positive accounting theory was put forward by Watts and Zimmerwan (1986), which is a theory that seeks to describe and predict certain phenomena or events (Ghozali, 2020). According to R. I. Zimmerman and J. L. Zimmerman (1995) there are several hypotheses in positive accounting theory, including:

1. *Bonus plan hypothesis* (bonus plan hypothesis), where the company prepares a bonus based on the size net income. Managers will certainly get higher incentives by presenting high net income reports in order to increase company profits.
2. According to the *debt equity hypothesis* (debt hypothesis), managers will be more inclined to increase company profits if the company is considered to have good performance and liquidity conditions to pay debts and interest. Also able to return the investment funds of creditors and investors, the higher the company's debt, the greater the manager's ability to increase company profits.
3. According to the *political cost hypothesis* (the political cost hypothesis), companies will tend to report lower corporate earnings in order to avoid high political costs and also so as not to attract the attention of politicians.

### Agency Theory

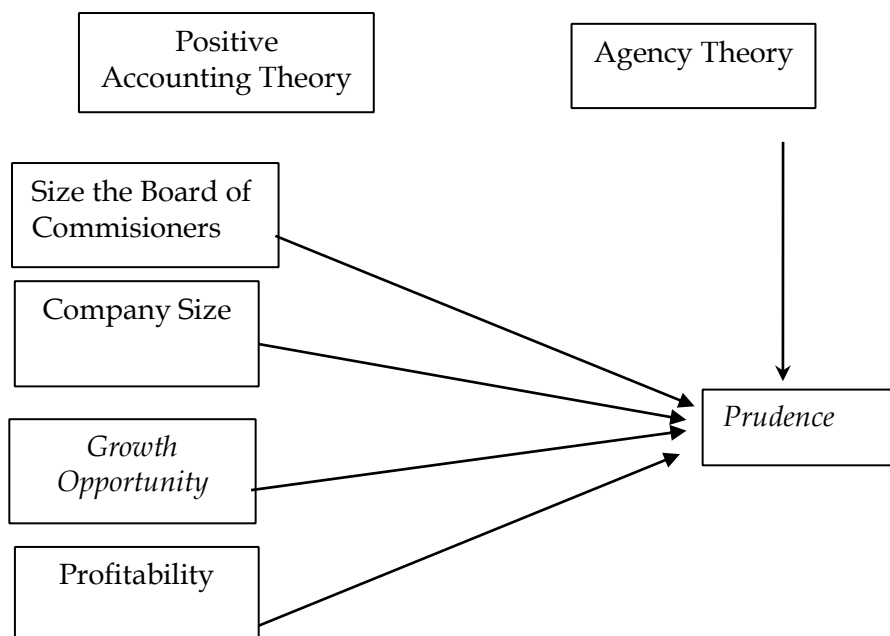
The agency theory was put forward by Jensen and Meckling (1976). The concept of agent theory occurs because there is a contract between the owner and the agent (manager) for the use of services in the interests of the company's principal. There are differences in interests where company owners and investors want profits to appear small to minimize taxes, but managers want profits to appear large as a depiction of good

performance. Actions to raise profits by managers can be prevented by accounting *prudence* (Andreas H., Ardeni A., Nugroho PI, 2017).

## Prudence

According to Sutrisnawati et al. (2021), one of the principles of accounting is prudence, which is a rule of caution for a company in financial reports. By not rushing when measuring and recognizing assets and profits, a company hastens the recognition of debts and losses that will occur, meaning that expenses are quickly recognized and slows the recognition of income. Draftprudence makes the company more aware of the selection of financial statement accounts if there is uncertainty later so that it can describe the actual condition of the company going forward (Sinambela & Almilia, 2018). Principleprudence accounting is also used by managers so that profits from a company do not suffer fluctuations because they are quite tall and look equally alike (R. Padmawati & Fachrurrozie, n.d.).

## Hypothesis Formulation



### 1. The Effect of the Size of the Board of Commissioners on Prudence

According to the theory agency the board of commissioners is tasked with providing services and supervising the management of the company. (et al., Juan Manuel Garcia, 2005) stated that the more members of the board of commissioners, the higher the level of supervision. So that makes managers more careful in managing the company,

especially in financial reporting. The results of research (Meisy & Mayangsari, 2022) and stateprudence (A.S. & Duellman, S., n.d.) are not affected by the size of the board of commissioners. Meanwhile, research by Caroline & Sari (2023) and Yustina (2016) states that the size of the board of commissioners has a positive effect on prudence. Based on what has been described, the hypothesis is formulated:

H1: The size of the board of commissioners has an effect on prudence

## **2. Effect of Company Size on Prudence**

Hypothetical positive accounting theory the political cost hypothesis illustrates that the political costs imposed will be greater if the company is large. According to Nurlintang Ramadhani and Sulistyowati (2019) to reduce political costs, companies are very careful in their financial reporting, especially in terms of recording profits. Research results Research by Budi et al. (2018), O. & Salim, S. (2020) and Syutiatty Putri and Vinola Herawaty (2020) states that company size has no effect on prudence. Whereas in research (Usbah & Primasari, 2020), (Rahardja, Vinola Herawaty, 2019), and (Abbas & Hidayat, 2022), it was stated that company size has a positive effect on prudence. Based on what has been described, the hypothesis is formulated as follows:

H2: Company size has an effect on prudence

## **3. Influence, Growth, Opportunity, and Prudence**

The high level of growth opportunities makes the company need funds that are large enough to meet investment needs so that the company will maintain profits to be reinvested in the company (Alif Aditya Darma, 2018). Based on theory, when the company experiences growth, the principal will tighten supervision in the management of the company. This has made management more careful in managing and reporting finances. Research results by Idrus et al. (2022) stated that growth opportunities have a negative effect on prudence. Similar studies by Ali et al. (2023) and Usbah & Primasari (2020) suggest a growth opportunity effect on prudence. Based on what has been described, the hypothesis is formulated as follows:

H3: Growth opportunity effect on prudence

## **4. Effect of Profitability on Prudence**

Profitability is the company's ability to earn profits. (Khaira & Africano, 2014) state that if the company's profits are high, the compensation given to shareholders will be

higher, and the tax costs incurred will also be high. Besides that, the precautionary principle is also used to regulate profits so that they look even and do not fluctuate too much. The results of research by Syutiati Putri and Vinola Herawaty (2020) state that profitability has no effect on prudence. Similar research (Rahardja and Vinola Herawaty, 2019) states that profitability has a significant negative effect on prudence. Whereas research (Khaira & Africano, 2014; Prattina, 2022) suggests that profitability has a positive effect on prudence, based on what has been described, the hypothesis is formulated as follows:

H4: Profitability Effect on prudence

### C. Research Method

#### Population and Sample

The population used by researchers is pharmaceutical companies listed on the Indonesia Stock Exchange in 2019–2022. Sampling using rules-based purposive sampling, according to Hartono (2016), namely sampling from a population based on certain criteria Table of sample selection criteria as follows:

Information	Amount
Pharmaceutical sub-sector manufacturing companies listed on the Indonesia Stock Exchange during the 2019–2022 period	21
Manufacturing companies in the pharmaceutical sub-sector that publish financial reports for the 2019–2022 period	(1)
Manufacturing companies in the pharmaceutical sub-sector that provide complete data related to the variables in the study	(2)
Companies that experience losses	(5)
<b>Total companies selected as samples</b>	<b>13</b>
<b>Sample companies (companies x 4 years)</b>	<b>52</b>

#### Variable Operational Definitions

##### *Prudence*

Prudence, according to Aristiani et al. (2017) is prudence when recognizing income and recognizing expenses to avoid risks or uncertainties in doing business. The formula used uses the accrual model (D. Hayn, n.d.):

$$\text{CONACC} = (\text{NI} + \text{DEP} - \text{CFO}) \times (-1)$$

TA

Information:

CONACC: Earning Conservatism based on accrued items

NIO: Operating Profit of current year

DEP: Depreciation of fixed assets of current year

CFO: Net amount of cash flow form operating activities of current year

TA: book value of closing total assets.

### Size of the Board of Commissioners

The size of the board of commissioners, according to Mokhlas (2021), is the total number of members of the board of commissioners in corporate organizations. The formula used is:

$$n = \text{Number of members of the board of commissioners}$$

### Company Size

The size of the company, according to Nurlaela Wati (2019) shows the size of a company, which can be seen based on the total asset value, average level of sales, overall sales, and overall assets. The formula used is:

$$\text{Size} = \ln \text{Total Asset}$$

### Growth Opportunity

According to Wulandari et al. (2014) it is a company's opportunity to grow, namely the opportunity for a company to invest in things that will benefit the company. The formula used is based on Sugyono & Untung (2016), namely:

$$\text{Market Value of Equity.}$$

$$\frac{\text{Number of outstanding shares X closing price/Profitability}}{\text{Total Equity}}$$

### Profitability

Profitability, namely the profit-earning capacity of a company resulting from business activities such as sales results and income from investments, Based on Abbas & Hidayat (2022) the formula used is:

$$\text{ROA (Return on Asset).}$$

$$= \frac{\text{Profit After Tax}}{\text{Total Assets}}$$

$$\text{Total Assets}$$



## D. Results and Discussion

### Descriptive Statistics Test

Table 1. Descriptive Statistics Test Result

	PA	DK	UP	GO	P
Mean	-0.004462	4.538462	28.79983	2.966511	0.092623
Median	-0.009306	4.000000	28.81619	1.925566	0.083500
Maximum	0.302445	8.000000	30.93576	10.56403	0.309900
Minimum	-0.287278	2.000000	26.15513	0.105954	0.000900
Std. Dev.	0.101268	1.862547	1.230297	2.518703	0.072403
Skewness	0.267702	0.269908	-0.123151	1.003978	0.897003
Kurtosis	4.670882	2.016968	2.356312	3.208404	3.639948
Jarque-Bera	6.670095	2.725134	1.029163	8.829855	7.860652
Probability	0.035613	0.256003	0.597751	0.012095	0.019637
Sum	-0.232045	236.0000	1497.591	154.2585	4.816418
Sum Sq. Dev.	0.523020	176.9231	77.19520	323.5371	0.267352
Observations	52	52	52	52	52

Sumber: Output Eviews 12 diolah

Based on the test results, of the five variables used, there is one whose average value is smaller than the intersection value, namely variableprudence, with an average value of -0.004462 and a standard deviation of 0.101268. If the average number is smaller than the standard deviation, it indicates that the research data deviation is relatively large. While the board of commissioners size variable has an average value (mean) of 4,538462, with a standard deviation of 1.862547, the company size variable has an average value (mean) of 28.79983 with a standard deviation of 1.230297, the variable growth opportunity has a standard deviation value of 2.518703 and an average value (mean) of 2.966511, and the profitability variable has an average value (mean) of 0,092623 with a standard deviation of 0.072403.

### Model Selection Test

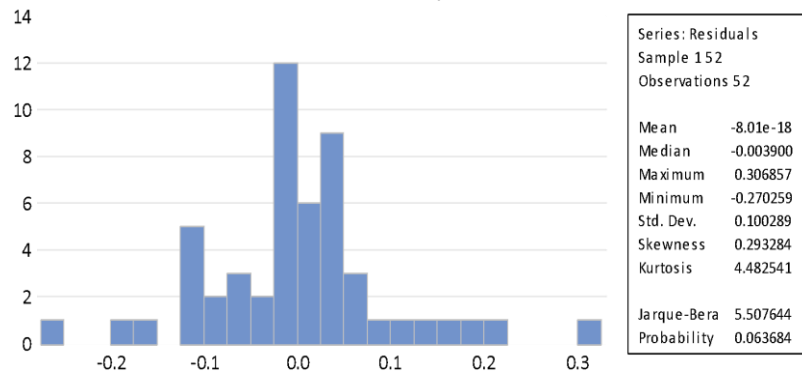
Table 2. Model Selection Test Results

	Probabilitas	Model yang tepat
Uji Chow	0,0104	FEM
Uji Hausman	0,0077	FEM

Based on the results of the model selection test, the testlagrange multiplier (LM) is not necessary. And it can be concluded that the more appropriate model used in this study is a Fixed Effect Model (FEM).

## Normality test

Table 3. Normality Test Results



In the normality test results in Table 2, it is known that the p value from the test value check-bearer is 5.508 with a probability of 0.06, which means > from a significance of 0.05. These results indicate that the data on the variables used are normally distributed.

## Multicollinearity Test

Table 4. Multicollinearity Test Results

	DK	UP	GO	P
DK	1	0.60962162...	0.12771451...	0.21033044...
UP	0.60962162...	1	0.08318361...	0.06666686...
GO	0.12771451...	0.08318361...	1	0.60358460...
P	0.21033044...	0.06666686...	0.60358460...	1

Sumber: Output Eviews 12 diolah

In the results of multicollinearity calculations in this study, the tolerance value indicates that there is no research variable value that is > 0.85, so it can be concluded that there is no indication of multicollinearity between the individual variables used.

## Heteroscedasticity Test

Table 5. Heteroscedasticity Test Results

Heteroskedasticity Test: Harvey			
Null hypothesis: Homoskedasticity			
F-statistic	0.845262	Prob. F(4,47)	0.5037
Obs*R-squared	3.489694	Prob. Chi-Square(4)	0.4794
Scaled explained SS	4.942889	Prob. Chi-Square(4)	0.2932

Sumber: Output Eviews 12 diolah

Based on the results of the heteroscedasticity test in Table 4.11, a significance value of 0.5037 means  $>$  a significant value of 0.05. It can be concluded from the results of the heteroscedasticity test in this study that there were no symptoms of heteroscedasticity.

### Panel Data Regression Test

Table 6. Panel Data Regression Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.033557	0.024796	41.68187	0.0000
DK	0.029860	0.018586	1.606624	0.1148
UP	0.007368	0.002657	2.772956	0.0079
GO	0.006923	0.003207	2.159044	0.0360
P	-0.071011	0.032820	-2.163664	0.0356

Sumber: Output Eviews 12 diolah

Based on the panel data regression coefficient test in the table above, the panel data regression analysis equation is formulated as follows:

1. The coefficient on the size of the board of commissioners is 0.0299, meaning that if the variable size of the board of commissioners (X1) experiences an addition of 1, the accounting prudence (Y) will experience an increase of 0.0299.
2. The coefficient of firm size is 0.0074, meaning that if the variable firm size (X3) experiences an addition of 1, accounting prudence (Y) will increase by 0.0074.
3. The coefficient of growth opportunity is 0.0069, meaning when variable growth opportunity (X4) experiences an addition of 1, accounting prudence (Y) will increase by 0.0069.
4. The profitability coefficient is -0.071. Meaning that if the profitability variable (X5) experiences an addition of 1, the accounting prudence (Y) will decrease by -0.071.

### Determination Coefficient Test

Table 7. Determination Coefficient Test Result

R-squared	0.537238	Mean dependent var	0.994087
Adjusted R-squared	0.497854	S.D. dependent var	0.011187
S.E. of regression	0.007927	Akaike info criterion	-6.745783
Sum squared resid	0.002954	Schwarz criterion	-6.558163
Log likelihood	180.3903	Hannan-Quinn criter.	-6.673854
F-statistic	13.64101	Durbin-Watson stat	0.577033
Prob(F-statistic)	0.000000	Wald F-statistic	2.403354
Prob(Wald F-statistic)	0.062927		

Sumber: Output Eviews 12 diolah

Can be seen above value R The square in the equation of 0.54 means if in a percentage of 54%. Then the independent variable affects the dependent variable. Accounting

prudence by 54%, while 46% is influenced by other variables not examined by researchers in this study.

## Hypothesis Test Results

### F Test

Table 8. F test results

R-squared	0.537238	Mean dependent var	0.994087
Adjusted R-squared	0.497854	S.D. dependent var	0.011187
S.E. of regression	0.007927	Akaike info criterion	-6.745783
Sum squared resid	0.002954	Schwarz criterion	-6.558163
Log likelihood	180.3903	Hannan-Quinn criter.	-6.673854
F-statistic	13.64101	Durbin-Watson stat	0.577033
Prob(F-statistic)	0.000000	Wald F-statistic	2.403354
Prob(Wald F-statistic)	0.062927		

Sumber: Output Eviews 12 diolah

Based on the test results in Table 4.14, Fcount is worth 13.641 and has a significance value of  $0.000 < 0.05$ . Because Fcount  $>$  Ftable ( $13,641 > 2,25$ ), face  $H_0$  is rejected. This means that independent variables simultaneously affect the dependent variable's accounting prudence.

### T Test

Table 9. T Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.033557	0.024796	41.68187	0.0000
DK	0.029860	0.018586	1.606624	0.1148
UP	0.007368	0.002657	2.772956	0.0079
GO	0.006923	0.003207	2.159044	0.0360
P	-0.071011	0.032820	-2.163664	0.0356

Based on the results of the t test, it is stated as follows:

1. Nilai tcount the size of the board of Commissioners shows 1.606624 and a significance value of 0.1148. Then  $H_0$  is accepted for a significance value of  $> 0.05$ , meaning that the independent variable board size has no effect on prudence.
2. Nilai's total company size shows 2.773 and a significance value of 0.0079. Then  $H_2$  is accepted because the significance value is  $< 0.05$ , meaning that the variable firm size has an effect on and is significant to prudence.
3. Nilai's count growth opportunity shows 2.159 and a significance value of 0.0360. Then  $H_3$  is accepted because the significance value is  $< 0.05$ , meaning it has a significant effect on prudence.

4. Nilai's total profitability shows -2.164 and a significance value of 0.0356. Then H4 is accepted because the significance value is  $< 0.05$ , meaning that the profitability variable has a significant effect on prudence.

## **Discussion**

### **1. The effect of the size of the board of commissioners on Prudence**

The results of testing the first hypothesis (H1), namely the effect of the size of the board of commissioners on prudence accounting, show the value of  $t\text{-count} < t\text{-table}$ , which is equal to 1.606624 with a significance level of 0.1148, indicating that H0 is accepted and H1 is rejected.

Based on theory, agency the board of commissioners is tasked with supervising and providing direction and guidance in managing the company. The large number of members of the board of commissioners does not make management or an entity more prudent in financial reporting. And based on positive accounting theory, according to the bonus plan hypothesis (Ghozali, 2020), management will of course be opportunistic in recording profits in order to obtain high compensation. Based on the evidence of the findings in the research that has been carried out, the variable size of the board of commissioners has no effect on prudence. The results of this study are in accordance with research conducted by A.S. & Duellman, S., n.d., and Meisy & Mayangsari, 2022a, which states that the size of the board of commissioners has no effect on prudence. This shows that the number of commissioners in a corporation does not significantly affect usage prudence.

### **2. Effect of company size on Prudence**

The results of testing the second hypothesis (H2) are that the effect of company size on prudential accounting shows a value of 2.773 with a significance level of 0.0079; these results indicate that H0 is rejected and H2 is accepted.

Hypothetical positive accounting theory the political cost illustrates that the political costs imposed will be greater if the company is large. To reduce political costs, of course, the company is very careful in its financial reporting, especially in terms of recording profits, in order to minimize profits by emphasizing the principle of prudent accounting. Based on the evidence of the findings in the research that has

been carried out, the company size variable has an effect on prudence. The results of this study support research by Usbah & Primasari (2020), Rahardja, Vinola Herawaty (2019), and Abbas & Hidayat (2022), which states the size of the company has a positive effect on prudence.

### **3. Influence growth opportunity to Prudence**

The results of testing the third hypothesis (H3), namely influence, growth opportunity, and toprudence accounting, show the value of  $t_{count} > t_{table}$ , which is equal to 2.159 with a significance level of 0.00360, indicating that  $H_0$  is rejected and  $H_3$  is accepted.

Based on theory, when a company experiences growth, the principal will tighten supervision in the management of the company, especially in financial matters. High growth rates make managers more prudent by reducing the company's profits to meet investment needs. Opportunities for company development require substantial funds in the future so that profits are minimized for the company's investment fund needs. Based on the evidence of findings in research that has carried out growth variables opportunity effect on prudence, the results of this study support research conducted by Ali et al. (2023) and Usbah & Primasari (2020) which state growth variables opportunity effect on prudence.

### **4. Effect of profitability on Prudence**

The results of testing the fourth hypothesis (H4), namely the effect of profitability on prudential accounting, show a significance value of 0.0356, indicating that  $H_0$  is rejected and  $H_4$  is accepted.

Profitability is the company's ability to earn profits. If the company's profits are high, the positive accounting theory hypothesis of political cost illustrates that the compensation given to shareholders will be higher, and the tax costs borne are also high, so the higher the company's profits, the higher the application of the principle of prudence, especially in corporate financial reporting (Khaira & Africano, 2014). Applicationprudence, especially in recording company profits, is also carried out so that they do not fluctuate too much and profits look flat in financial reporting. Based on the evidence of the findings in the research that has been carried out that the profitability variable has an effect on prudential behavior, the results of this study

support research conducted by Khaira & Africano (2014) and Prattina (2022), which states the effect on profitability and prudential behavior.

## E. Conclusion

Based on the hypothesis testing that has been done, it can be concluded that the board of Commissioners size variable has no significant effect on prudence accounting. While the company size variable, *growth opportunity*, and profitability influence significant to *prudence accounting*.

Based on the results of the research and conclusions that have been presented, the researcher provides several suggestions for further researchers, namely that the next researcher is expected to be able to expand the research area or object used so that they do not only conduct research on one sub-sector. Can extend a longer observation time span so that the data obtained is better. Can use other measurement proxies. And can also conduct research with the addition of new variables that might affect principles of prudence and accounting.

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